

**MANAGEMENT OF THE FUND**

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# MEMBERGUIDE 2021



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## 1. INTRODUCTION TO THE FUND

*The South African National Parks Pension Fund* (SANParks Pension Fund herein mentioned as “*the Fund*”) is a **defined contribution pension fund**. The Fund was established as a privately administered fund subject to an annual audit with effect from 1 April 1994.

The SANParks Pension Fund provides benefits in the event of retirement, death before retirement, disability and resignation. The Fund is managed by the Board of Management who appoints service providers to administer and manage the contributions, investment and benefit payments of the Fund.

## 2. MANAGEMENT OF THE FUND

### 2.1 THE BOARD OF MANAGEMENT

The Fund is managed by the Board of Management of which half are member-elected representatives (as elected by you, the member) in accordance with the requirements of the Pension Funds Act. A Board of Management of a pension fund is a separate legal entity that is created to specifically govern and manage a Pension Fund.

The Board of Management comprises of ten (10) Trustees of which five (5) are elected by members (you) and five (5) are appointed by the employer (SANParks). Each elected Trustee serves a four (4) year term after which their position becomes vacant for a newly elected Trustee. A Trustee may however be elected for further terms of office.

The Trustees are responsible for all decisions made regarding the Fund and have to ensure that members’ and beneficiaries’ interests are protected at all times. They are all competent individuals, and where they lack expertise in a certain field, they are aided by retirement industry experts and specialists.

Trusteeship requires a significant investment of time and effort in respect of both the training required and the preparation for attendance of Trustee meetings. It is important to note that Trustees do not receive any remuneration for the work that they do. This is a service to members over and above their normal work for which they are appointed by SANParks.



## 2.2 DUTIES AND RESPONSIBILITIES OF THE BOARD OF MANAGEMENT

**Trustees ensure that the interest of members are protected at all times. They should:**

- Exercise their duties with good faith, skill, due care and diligence;
- Avoid conflicts of interest;
- Act with impartiality in respect of all members and beneficiaries.

**Trustees have a fiduciary duty to members and beneficiaries in respect of accrued benefits as well as fiduciary duty to the Fund, to ensure that the Fund is:**

- Financially sound;
- Responsibly managed;
- Governed in accordance with the Rules of the Fund, the Pension Funds Act and the Financial Sector Conduct Authority's guidelines.

**To achieve this, the Trustees have to ensure that proper control systems are in place, which include:**

- Proper registers, books and records of all operations and minutes of all resolutions must be kept;
- Adequate disclosure / communication to members;
- Payment of contributions;
- Obtain expert advice where necessary;
- Comply with the Rules and applicable laws.

**Trustees are allowed to delegate duties. The following is applicable:**

- There must be a delegation system that is set out in the Rules;
- Trustees can never abdicate their duties;
- Trustee may withdraw the delegation at any time;
- Trustees remain accountable at all times;
- The delegation must be in writing and must be clearly described.

**Section 7D(f) amongst others, also requires compliance with the Financial Institutions (Protection of Funds) Act.**

**In terms of this Act, Trustees must:**

- Observe utmost good faith, care and diligence as far as duties with regard to management of assets are concerned;
- Obtain expert advice, but Trustees remain ultimately responsible / accountable;
- Exercise independent discretion;
- Act in accordance with the Fund's investment policy in terms of PF 130;
- Establish an investment strategy for the Fund in terms of Regulation 28, PF 98 and PF 130.

## 2.3 OTHER FUND ROLE PLAYERS

**Some of the role players involved in the management of the Fund are:**

### **The Principal Officer:**

The Principal Officer oversees day-to-day activities of the Fund. The role of the Principal Officer is vital for the proper performance of the Board. These functions include:

- Ensuring that decisions of the Board are executed;
- Ensuring that the Fund complies with the formal requirements of the laws, including directives from the Authority, SARS and any other relevant regulatory authority;
- Liaising on behalf of the Board with service providers to the Fund, unless where there is direct contact between the Board and the service provider;
- Contributing at Board meetings even though, as Principal Officer, he or she does not have a vote in decisions of the Board if he/she is not also a Trustee.

### **The Chairperson:**

The Chairperson of the Board is pivotal in creating the conditions for the overall Board and the individual Trustees effectiveness. He/she manages Board meetings to ensure that sufficient time is allowed for discussion of complex or contentious issues.

### **The Administrator:**

The Administrator keeps records of all members, ensure the collection of contributions, and manage the payment of benefits. The Administrator of the Fund is responsible for managing the day-to-day activities. These include:

- Receiving the monthly contributions;
- Paying all Fund expenses;
- Investing the balance of the money with the approved Asset Manager(s);
- Reconciling the bank account;
- Paying claims of members who have exited the Fund;
- Preparing Benefit statements;
- Arranging for the audit of the Fund's Financial statements.

### **Consultants:**

The Consultants provide advice to the Board of Management, take minutes and arrange meetings. The Consultants to the Fund keep the Board abreast of developments in the Retirement Fund Industry. The Consultants also advise the Trustees of any legislative changes and ensure that the Rules of the Fund comply with the necessary legislation. The Consultants very often also assist Trustees with implementing communication strategies and drafting of communication to members of the Fund.

*...continued on page 06*



## OTHER FUND ROLE PLAYERS *continued...*

### Asset Managers:

Asset Managers manage the assets (investments) of the Fund. They invest client assets in different investment portfolios, which are made up of different combinations of various asset classes. They receive an instruction from the Board of Management indicating the investment portfolios (and the proportions) in which the Board wants to participate, in terms of the Fund's Investment Strategy (and Investment Policy Statement) and execute these instructions. They do not provide advice to the Board in terms of the investment portfolios that they should elect.

### The Auditor:

The Auditor ensures that the Fund's finances are in order and conduct an annual audit of the Fund.

### The Actuary:

The Actuary ensures that the Fund's assets match the liabilities and that the Fund is in a sound financial position.

### Underwriters for insurance policies:

The Underwriters insure death and disability risk benefits.

### The Asset Consultant:

The Asset Consultant provides advice to the Trustees on the investment strategy and reports on the performance of the investments. The Asset Consultant also assist with the drafting of the Fund's Investment Policy Statement, and ensures that the Fund is compliant with the various regulatory requirement pertaining to retirement fund investments.

## 3. CONTRIBUTIONS AND YOUR ACCUMULATED CREDIT *IN THE FUND*

Employee and employer contributions form part of an employee's taxable income. Individuals are able to receive a tax deduction on employer and employee contributions to all retirement funds that they contribute to up to 27.5% of the greater of their total remuneration or taxable income. A maximum of R350 000 per year is tax deductible and will apply to all fund contributions combined.

### FROM 1 MARCH 2016



**YOU**  
will receive a  
tax deduction of **19.5%**  
on your **own contributions**  
as well as on the contributions  
that the **employer** makes on your  
behalf. Your contributions may  
be increased to a maximum  
of **27.5%**



The  
**total** amount  
that may be contributed  
tax deductible by **you and**  
**your employer** to your pension  
fund is **27.5%**.  
**You will not be entitled to**  
**a tax deduction on your**  
**contributions of more than**  
**R350 000 per year.**



...continued on page 07

## TAXATION OF CONTRIBUTIONS from 1 March 2016

Your pensionable salary = R200 000 per annum

Employee contribution = 7.5% per annum

Employer contribution = 12% per annum

Gross income = pensionable salary + fringe benefit (employer contribution)

Taxable income = Gross Income – Employee contribution – Employer contribution

Your financial position remains unchanged in taxation of Pension Fund contributions



### How will this affect you?

The **example** below will show you approximately how much additional tax deductible contributions to retirement savings you can make.

## INCOME after 1 March 2016

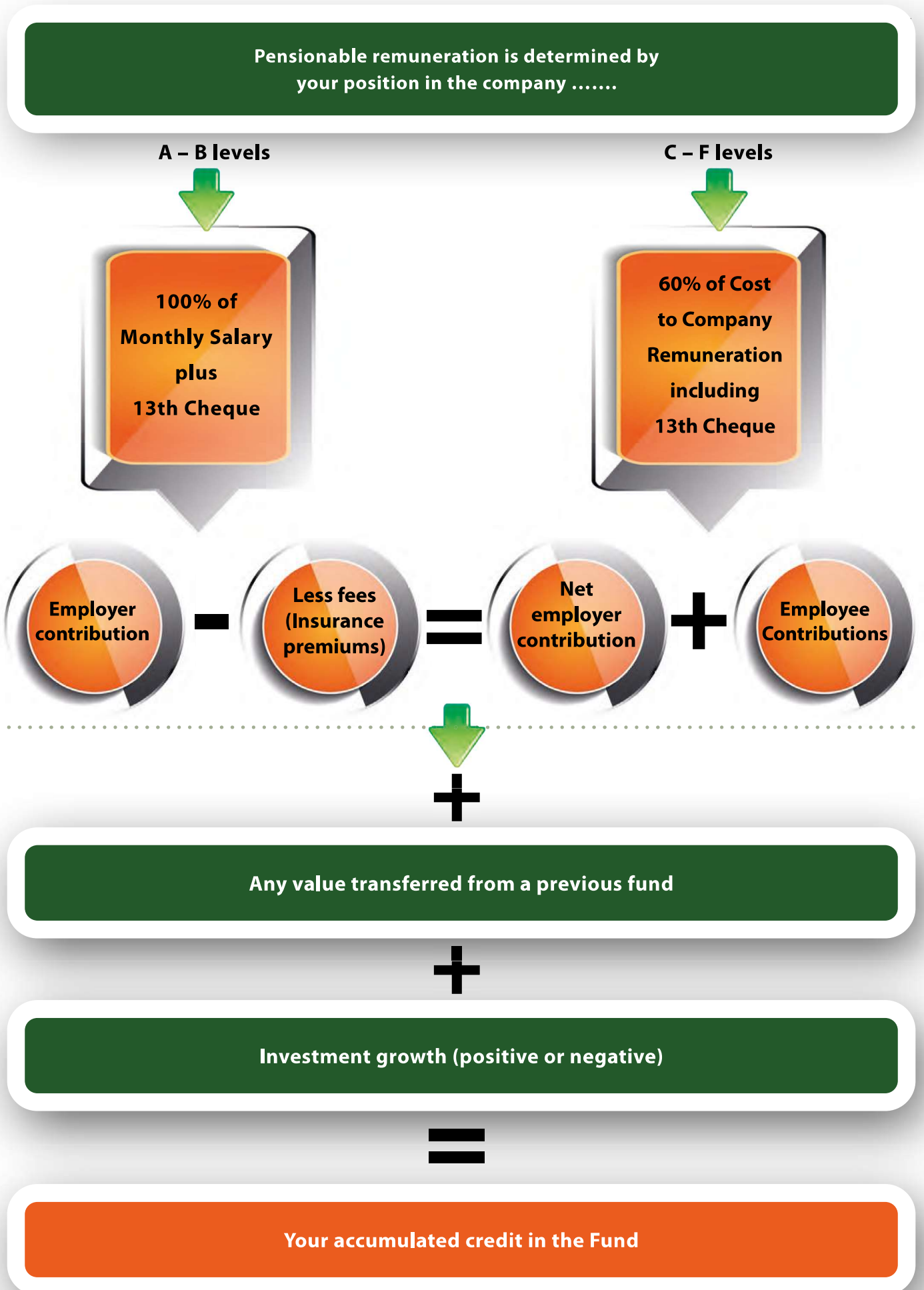
Income	Deductions
Pensionable salary: R24 385.00	Total Tax: R4 321.00
Employer contribution: R2 926.20	Employer contribution: R2 926.20
	Employee contribution: R1 828.87
	Nett income: R18 235.13

The difference between total contributions (19.5%) and full tax deductible contributions (27.5%) can be used as additional contributions towards retirement.

The 27.5% is inclusive of any additional retirement funding for example contributions to a retirement annuity fund.

### 3.1 PENSIONABLE SALARY

*Contributions start with your pensionable salary level*



**If you wish to increase your retirement benefit, you can do so by making additional voluntary contributions.**

**Please contact your Human Capital Management (HCM) department to arrange for an additional monthly contribution to be paid to the Fund.**

**For detailed information on your accumulated credit in the Fund or contribution rates, please refer to the Fund rules.**

**For more detail contact your HCM department.**

### **3.2 TRANSFERRING INTO THE FUND**



You may transfer any amount relating to previous membership from an approved pension or provident fund into the SANParks Pension Fund. You may also transfer your monies from an approved preservation pension or preservation provident fund, provided the Board of Management agrees thereto and subject to any requirements of the Revenue Authority, into SANParks Pension Fund.



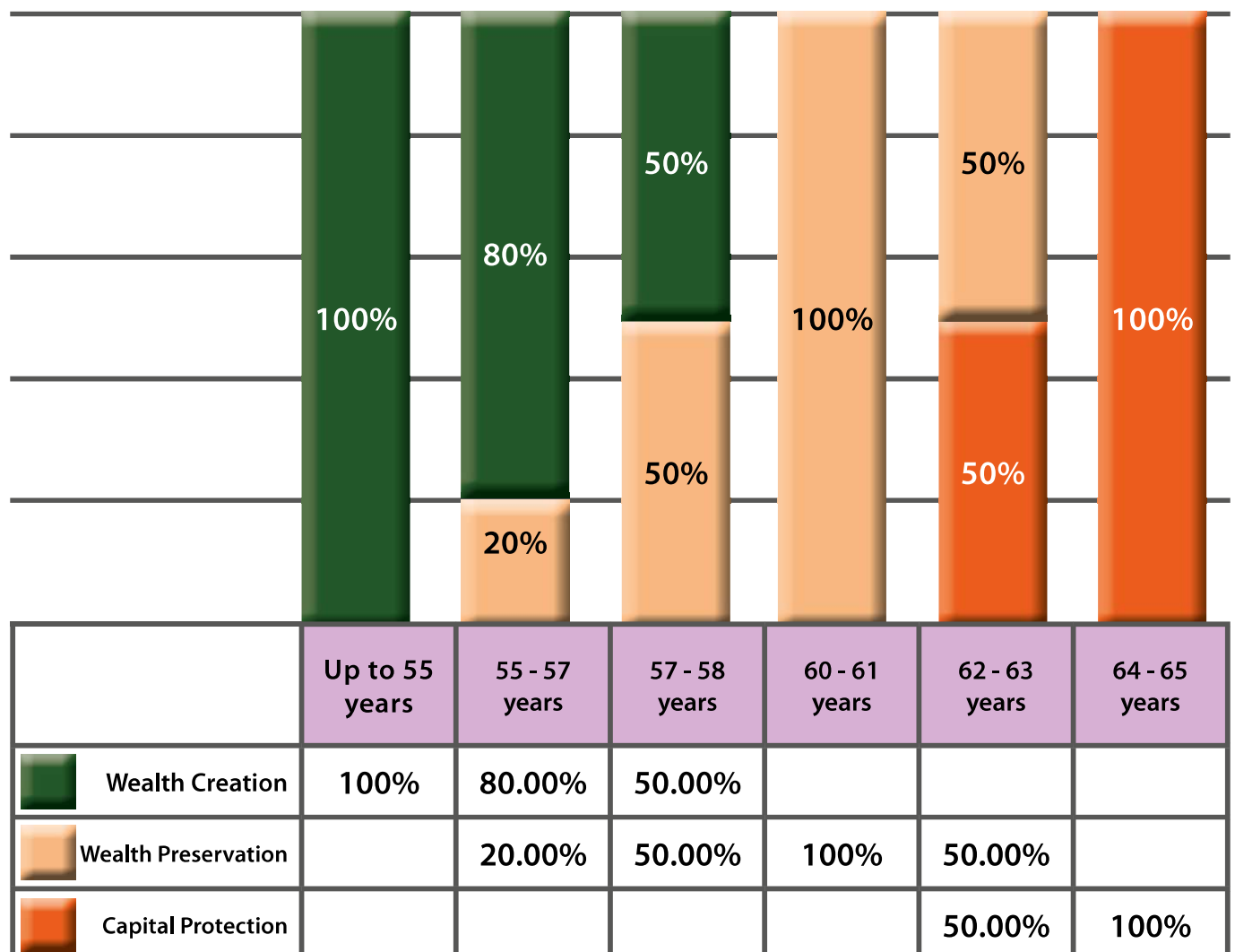
## 4. INVESTMENTS OF THE FUND

### 4.1 LIFESTAGE PORTFOLIO

The Board of Management offers members a choice between investing in the default Life Stage Portfolio (managed by the Board of Management) or selecting an individual choice from one of the current portfolios.

#### **The Life Stage Portfolio (default option)**

- Assumes a normal retirement age of 65;
- You, (the member) move systematically and automatically through the portfolios based on your age;
- Therefore, as you approach retirement age, the underlying risk of the investment is moved to a lower risk portfolio;
- Best suited for different age needs and different stages of your life;
- High, medium and low-risk portfolios are used;
- Investments will be moved between these 3 portfolios twice a year (effective 1 September and 1 March should you fall in the next age group);
- **Percentage exposure changes over time** according to the **different portfolios** (see graph and table below).



## 4.2 INDIVIDUAL CHOICE

- If you want to make an individual member choice please consult with a financial adviser;
- Should be considered if your future plans are to retire at an age other than 65 years;
- You can choose one of the portfolios from the default Life Stage model (Wealth Creation, Wealth Preservation or Capital Protection);
- You are allowed to exercise individual investment choices (or switch portfolios) twice a year on 1 September and 1 March;
- All contributions and accumulated credit in the Fund must be invested in one of the available portfolios (see below for more detail).

Portfolio	Summary	
Wealth Creation	<i>Beats inflation over the long-term</i> in order to <b>grow your value</b> in the Fund as much as possible, but the <b>risk in the short-term is higher</b> than that of other portfolios.	<b>Objective</b> is to <b>beat inflation</b> by <b>7% a year</b> (measured over a six (6) year rolling period).
Wealth Preservation	<i>Preserves returns already earned with lower risk</i> than <b>Wealth Creation</b> , but higher risk than Capital Protection over the short-term.	The <b>focus</b> is to <b>deliver returns</b> that <b>beat inflation by 5% a year</b> (measured over a three (3) year rolling period).
Capital Protection	<i>Protects capital over the short-term</i> with <b>low risk</b> and capital guarantees.	<b>Aims</b> to <b>beat inflation by 3% a year</b> (measured over a one (1) year period).

If you decide to exercise your own choice you must place 100% of your benefit in one of the following portfolios: Wealth Creation, Wealth Preservation or Capital Protection.

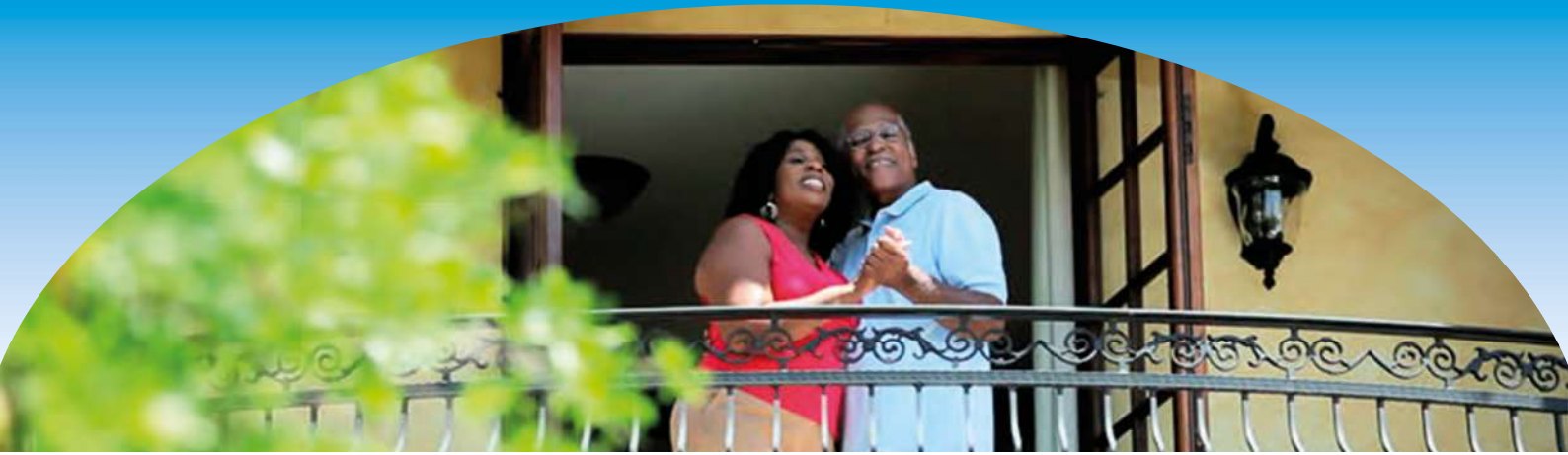
The option form is available on the SANParks Pension Fund Intranet.

**Individual Investment Choices twice a year!**

Effective  
**1 March**  
(Instruction  
to be sent by  
31 January)

[sebmemberswitches@sanlam.co.za](mailto:sebmemberswitches@sanlam.co.za)

Effective  
**1 September**  
(Instruction  
to be sent by  
31 July)



## 5. PENSION-BACKED HOME LOANS

**THE FUND** together with **THE EMPLOYER** and a **FINANCIAL INSTITUTION** offers *pension-backed home loans subject to:*

- Members of the Fund;
- With approval of the employer;
- Subject to approval by the financial institution in accordance with the regulations under the National Credit Act;
- For authorised transactions (housing purposes) only;
- Application via your HCM department; and
- In respect of your own primary property.

A housing loan value, as pre-determined by the employer and service provider, less any amount payable in terms of a divorce order and/or other liability (e.g. maintenance order) is available through a financial institution, with whom the Fund has entered into a “pension-backed home loan agreement” Loans are subject to approval by the financial institution according to the National Credit Act regulations. When you leave the employer for any reason other than death, the outstanding balance on your home loan will be settled by the Fund out of your accumulated credit in the Fund. **If you pass away, compulsory Life Insurance will settle the balance.**

**VERY IMPORTANT!** By law, these loans can only be used for **housing purposes**. Any other purpose is **prohibited** in terms of the Act. A service/administration fee is collected monthly as part of the instalment and no other fees are payable to any party/individual for application initiation, credit regulatory requirements.

### What can the pension-backed home loan be used for?

A pension-backed home loan can be used for the following reasons:

- Purchasing of a home;
- Buying land;
- Building a new home;
- Home improvements on your own home;
- Renovations on your own home;
- Alterations on your own home.



**Should you require more information or assistance regarding home loans, please contact your HCM department.**

## 6. DIVORCE ORDERS

Section 7 of the Divorce Act, 1979, facilitates the payment of a pension benefit to a member's former spouse with immediate effect. This means that if a member divorces and the parties include the assets of the Pension Fund in the divorce settlement agreement, the former spouse may immediately claim his or her part of the pension benefit. There are costs involved for the member.

### **To be binding on a Fund, a divorce order must provide for the following:**

- The Fund must be properly identified or identifiable from the order, e.g. South African National Parks Pension Fund or SANParks Pension Fund.
- It must be specifically ordered by the Court that the Fund should pay the amount concerned to the other party.
- The amount and/or percentage of the pension interest that is due or assigned to the non-member spouse, must also be clear. (Tax is payable on this amount by the receiving spouse.)
- If the above 3 conditions are not met, the Fund is not legally bound and will not make a payment to the non-member spouse.

## 7. BENEFITS IN THE FUND

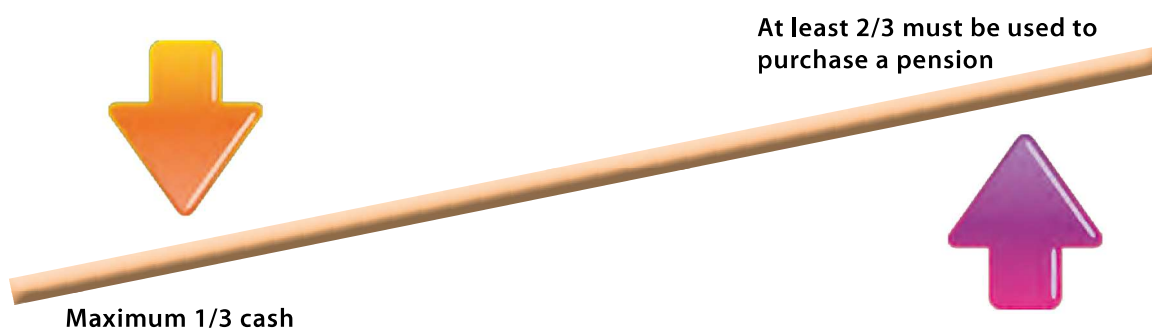
### 7.1 RETIREMENT BENEFITS



You are entitled to your accumulated credit in the Fund.

#### **Your accumulated credit is determined by 2 factors:**

- The amount of contributions that were paid to the Pension Fund; and
- The investment returns (growth) earned on the contributions.



This is in accordance with current legislation.

...continued on page 14

Your two-thirds pension will provide you with a monthly income during your retirement.

The current tax legislation allows for a tax-free portion over a member's lifetime of R500,000.

You may take the full benefit in cash, should the total value of your accumulated credit be below the minimum taxable amount of R247,500.

## **DEFER YOUR RETIREMENT**

The Fund allows you to defer your retirement, i.e. leave your accumulated credit (Fund savings) in the Fund and continue membership in your personal capacity after reaching normal retirement age and leaving your employer. This means that you are no longer required to take your retirement benefit from the Fund immediately. You will not be allowed to make further contributions to the Fund upon reaching your retirement age. The death, disability and funeral benefits (if applicable) will cease. Your money will continue to be invested in the portfolio you have elected previously, but you may elect to change your investment portfolio.

## **STRUCTURING YOUR RETIREMENT BENEFITS**

It is important to make good decisions when you reach retirement age. It is understandable that this period can be both exciting and daunting. There are so many decisions to be made about your retirement, so many considerations to keep in mind, and a vast range of options to choose from.

### **CONSIDERATION BEFORE AND AT RETIREMENT:**

- Is our accumulated credit in the Fund adequate to retire?
- How much tax is payable at retirement?
- You must determine the manner in which the pension benefits are structured (type of pension that will best suit your needs).

If you decide to take your retirement benefit you must make a selection on how you want this benefit paid.

### **YOU HAVE THE FOLLOWING CHOICES:**

- Take any portion up to a maximum of one-third of your benefit as a cash lump sum, and pay tax on this money if it exceeds the tax-free limit, and use the other two-thirds to buy a pension for life.
- You may also use your entire retirement benefit to purchase a pension for life.

### **YOU WILL HAVE THE FOLLOWING CHOICES APPLICABLE TO THE PORTION USED TO BUY A PENSION FOR LIFE:**

- Consider buying a Living Annuity or Life Annuity of your choice from any of the registered insurers in the market
- Consider the Fund's Default Annuity: Liberty Growth Pensions 2018 With-Profit annuity.

**Provision** can be made for **Living Annuities** or **Life Annuities**, as shown on page 15 and 16 to follow:



## LIVING ANNUITIES



### Living Annuities

*It is important to make good decisions when you reach retirement age. It is understandable that this period can be both exciting and daunting. There are so many decisions to be made about your retirement, so many considerations to keep in mind, and a vast range of options to choose from.*

Choose a fixed percentage (between 2.5% and 17.5% of your capital value) as a monthly

You remain the owner of your capital

Capital can be used up if too much is withdrawn as an income

You may adjust your income annually

You will be able to specify a beneficiary on the annuity

## LIFE ANNUITIES



### Life Annuities



Life long income for the member

The guaranteed annuity falls away when you pass away

Insurer guarantees that they will pay you an income for life

Annual pension increases (optional) \*

You will be able to include a spouse (optional)\*

\*Included in the quotation and has an effect on your monthly income. The more options you select the smaller your monthly income.

## TALK TO A FINANCIAL ADVISER!

The Board of Management recommend that you *seek financial advice* from an *approved financial adviser* before making any final decisions. Remember that neither the Trustees nor any staff members from the HCM Department are Financial Advisers according to FAIS requirements and hence may not provide any financial advice.

## BENEFIT COUNSELLING FOR THE FUND'S ANNUITY STRATEGY

Retirement can be an overwhelming experience and to assist retiring members, the Fund will provide Retirement Benefit Counselling at least three months prior to members' normal retirement age. In accordance with the default regulation legislation, pension funds have to provide a Benefit Counselling service to aid in educating and providing members support on the Fund's default annuity strategy and any other options available.

It should be noted that Benefits Counselling does not entail the provision of financial advice to members. It merely provides factual information about the default options that are available to the members in the Fund, to enable the members to make more informed decisions about their retirement planning.

### ANNUITY STRATEGY OVERVIEW

The Fund has engaged with Liberty Corporate to implement an annuity strategy, which is cost effective and easy to understand. Members are encouraged to familiarise themselves with the type of solutions available in terms of the characteristics, risk and cost associated with the product by either telephonic or face-to-face means of Benefit Counselling engagement at no cost.

After taking into account the characteristics and needs of most Fund members, the Trustees have selected the Liberty Growth Pensions 2018 With-Profit annuity as part of the Fund's default annuity strategy.

### LIBERTY CORPORATE GROWTH PENSIONS (2018) WITH-PROFIT ANNUITY

A with-profit annuity guarantees to pay you a pension for life. However, your future increases are not guaranteed, but are dependent on the investment performance of the assets.

The annual increases are formula driven, with smoothed returns referencing the investment performance of a moderate risk profiled investment portfolio over 5 years. These increases can never be negative, implying that your monthly income can never decrease, irrespective of how investment markets perform.

It offers pensioners some flexibility whereby they are able to allow for a surviving spouse pension and guarantee periods.

#### Fund Quotation Parameters (Applicable to all initial quotations)

Annuity Product Name	Liberty Corporate Growth Pensions (2018)
Annuity Increase Type	With - Profit Annuity
Pension Portfolio Name	Liberty Corporate Moderate Balanced Tracker Fund
Annuity Payable	Monthly in arrears
Minimum Annuity Purchase Amount	No minimum
Guarantee Period Range	A member has an option to select between 0 - 15 years, in increments of 5 years
Second life pension percentage (reversionary rate)	A member has an option to select between 0% - 100% at increments of 25%.

## FEES

**Liberty Corporate Group Pensions (2018)**

Initial administration fee	An amount of R48.00 per member once-off.
Monthly administration fee	An amount of R33.50 per member per month, applicable for 2020. The monthly fee is in respect of ongoing administration functions. The monthly rand figure will be adjusted annually in line with inflation.
Annual Fee	1.05% per annum of capital value
<b>Benefits Counselling</b>	
Benefits Counselling	No fee

**GENERAL PRODUCT CHARACTERISTICS**

- Guarantees to pay you a monthly pension for life.
- Annual increases are not guaranteed but are determined by the investment performance.
- The annuity amount can never decrease.
- It can be structured to allow for contingent survivor benefits i.e. spouse's pension.
- A guarantee period can be included; In respect of a single life, the pension is guaranteed to be paid to your beneficiaries for remainder of the guarantee period in the event of your death before the expiry of the guarantee period. A guarantee period for a joint life guarantees that in the event of your death the monthly spouse pension will only reduce to the chosen reversionary rate after the expiry of the guarantee period.
- Once you purchase the annuity, you cannot transfer it to another insurer or surrender the policy.
- All benefits cease on death/cessation period of the last beneficiary, unless there is a guarantee period and both beneficiaries died before the expiry of the guarantee period, the benefit will be transferred into an estate.

**REVISIONARY RATE**

The % that you spouse will receive as a pension in the event of your death.

**EXAMPLE:** Pension on date of death is R10 000 per month if a reversionary of 75% apply (in increments of 25%) your spouse will receive a pension of R7 500 per month.

**The Fund** in collaboration with **Liberty Corporate** will **assist you** with any further **questions**. Please engage with the **Benefit Counsellors** for **information** on the **Fund's Annuity Strategy**



011 558 2999 (option 3) or



[benefitcounselling@liberty.co.za](mailto:benefitcounselling@liberty.co.za)

## 7.2 DEATH BENEFITS

### SECTION 37C IS LAW

It says that your Board of Management have a responsibility towards you and they will see to it that your Fund death benefit is paid according to Section 37C of the Pension Funds Act.

Please get your **Nomination of Beneficiary Form** from your *HCM Department* and update it today.

**Death benefits** are distributed according to **Section 37C of the Pension Funds Act**.

#### SCENARIO 1

**If you have dependants only**, the benefit will be distributed according to their financial dependency.

#### SCENARIO 2

**If you have dependants and nominees**, dependants will be taken care of first, after which the balance, if any, will be distributed amongst the nominees. If no dependants can be traced, the benefit will be paid to your nominees according to your wishes as mentioned on the nomination of beneficiary form, and after your estate's solvency is confirmed.

#### SCENARIO 3

**If you have nominees only**, the benefit will be distributed according to your wishes, after your estate's solvency is confirmed.

#### SCENARIO 4

**If you have no dependants or nominees**, the benefit will be paid to your estate.

**Note** that for certain longer serving members the **Additional Group Life Assurance (death benefit)** may be any multiple from zero (0) to four (4) times annual pensionable salary, depending on the choice you exercised at the time.

The benefit is available as a lump sum (in full) or can be discussed with a financial adviser to provide for a monthly income (pension).





## **SCENARIO 1 - IF YOU HAVE DEPENDANTS ONLY**

If any person is **financially dependent on you** at the time of your death, he/she is your Dependant. The law states that if you were **legally liable for a person** he/she is also your **Dependant**.

Look at the different examples to see who qualifies as your legal and financial dependants.

**EXAMPLE 1:** Say you are married and have children. You are legally and financially responsible for your spouse and children, they are your dependants.

**EXAMPLE 2:** Perhaps your wife is expecting your unborn baby, the baby qualifies as your dependant, because you would have taken care of the baby after birth, had you not passed away.

**EXAMPLE 3:** You adopted a son or daughter and he goes to school. You pay for his tuition, therefore he is your dependant.

**EXAMPLE 4:** The court determined that you should pay maintenance to your ex-spouse. He/she is therefore your legal dependant.

Legal and financial dependants are people for whom  
you would have been financially responsible.

## SCENARIO 2 - IF YOU HAVE DEPENDANTS AND NOMINEES

You know what a dependant is! The Board of Management will always take care of them first! A **Nominee** is anyone who is not recognised by law as a dependant and can include **other family** members or **friends**.

BUT **Dependants** WILL be taken care of first! Anything that is still available after that, will be distributed to your Nominees after your estate's solvency is declared.

Look at the different examples to see who your nominees could be.

**EXAMPLE 1:** Your mother or father. They might still be active and working, but you wish to give them a portion of your benefit. They are your nominees.

**EXAMPLE 2:** You might have a grown-up daughter and she might be married, but you wish to give a portion of your benefit to her, her husband or child. They are your nominees.

**EXAMPLE 3:** Your only dependant was your mother and you also nominated your best friend. Your friend will receive a portion after your mother has been taken care of first. Your friend is a nominee.

As long as your dependants are taken care of first, your nominees, who are people not legally and/or financially dependent on you , can also receive a portion of your death benefit, if you nominate them.





### **SCENARIO 3** - IF YOU HAVE **NOMINEES ONLY**

Section 37C allows you to **nominate any person/persons** that you would like to receive your benefit.

Naturally the Board of Management will see if they can find any dependants as this is their duty, but they will, after investigation, distribute your death benefit according to your nomination form and within the provisions of the Act.

Look at the different examples to see who could be your nominees.

**EXAMPLE 1:** Your parents had a family trust and you nominated the trust as your beneficiary.

**EXAMPLE 2:** You are unmarried and have no children and you wish to nominate your best friend's child even though this child is not dependent on you.

If you have no dependants but only nominees,  
the Board of Management will distribute the benefit  
according to the nomination of beneficiary form  
if your estate is solvent.

Solvency is when your estate is capable of meeting  
the financial obligations of your estate.

## SCENARIO 4 - IF YOU HAVE NO **DEPENDANTS** AND NO **NOMINEES**

If you have no dependants AND you did not nominate any person to receive your death benefit and the Board of Management cannot find anybody that seem to be a dependant, your benefit will be paid over to your estate.

Look at the examples to see what happens when your benefit is paid over to your estate.

**EXAMPLE 1:** The Board of Management tried to locate any person/s that might have been your dependants and were not successful. This might indicate that you have no family or any person that was financially dependent on you. The Board of Management will rule that your death benefit will be paid over to your estate and will be distributed according to your last Will and Testament.

**EXAMPLE 2:** You did not nominate any person to receive your death benefit and therefore it will be paid over to your estate. The benefit will also then be distributed according to your last Will and Testament.

If you do not have any dependant or nominees, your death benefit will be distributed according to your final wishes, which you should stipulate in a last Will and Testament.



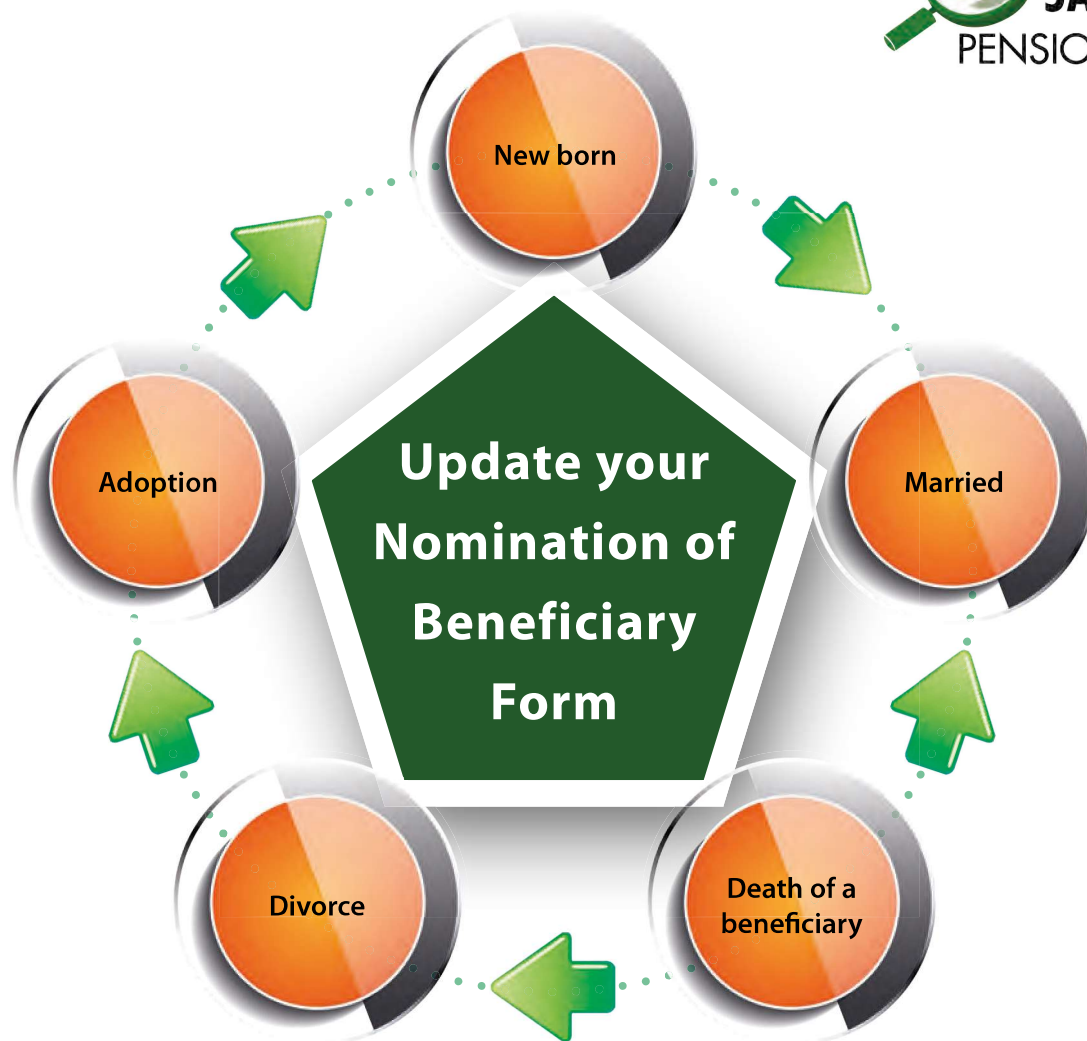
### IT IS EXTREMELY IMPORTANT

that you provide as much information as possible to assist the Board of Management in the distribution of your death benefit.

You can provide this *information* on the NOMINATION OF BENEFICIARY FORM.

It is advised that you *update* your nomination of beneficiary form in the event of any life-changing events such as marriage, new births, deaths of dependants and/or nominees, divorce, etc.





## SECTION 37D - Deductions from your Fund benefit

Section 37D of the Pension Funds Act permits eight types of deductions that may be made from a member's Fund benefit.

These are:

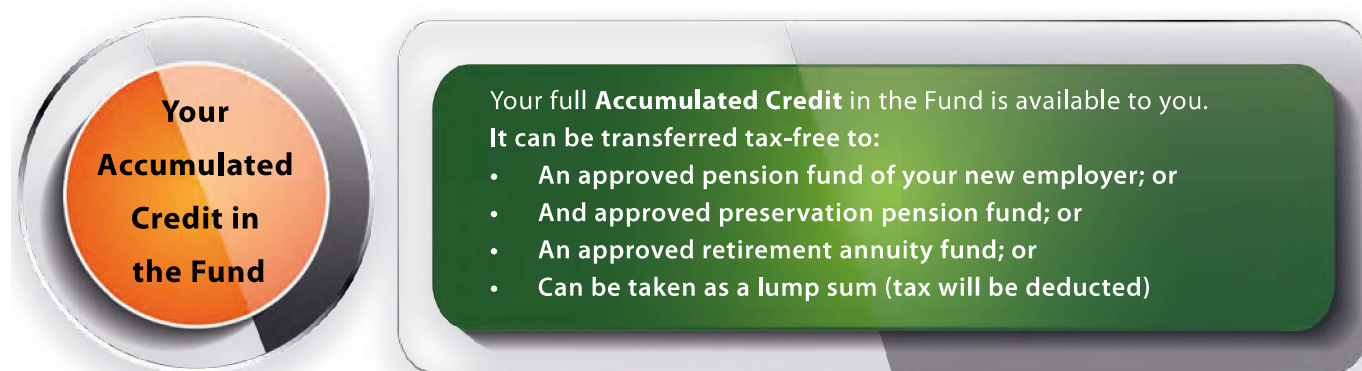
- Income Tax (including arrears Income Tax)
- Outstanding balance of Pension-backed Housing Loan
- Maintenance orders (arrear and future orders)
- Divorce orders
- Compensation for damages (due by a member to his/her employer)
- Insurance premiums
- Medical aid subscriptions
- Amounts approved by the Registrar

## 7.3 RESIGNATION *BENEFITS*

If you leave the Fund, you will automatically become a Paid-Up member of the Fund, unless you actively elect to transfer to another Fund or take the benefit in cash. This is the Fund's Default Preservation strategy that is in line with the new Default Regulations. When your benefit becomes Paid-Up, you will be known as a Preserver member in terms of the Rules of the Fund.

As an in-Fund Preserver member, you will not be allowed to contribute monthly to the Fund and the insured benefits (death, disability and funeral) will fall away.

Your benefit as a Preserver member will remain invested in the same portfolio it was invested in when you were an active member, until you choose another investment portfolio from the list of available Member Choice Portfolios.

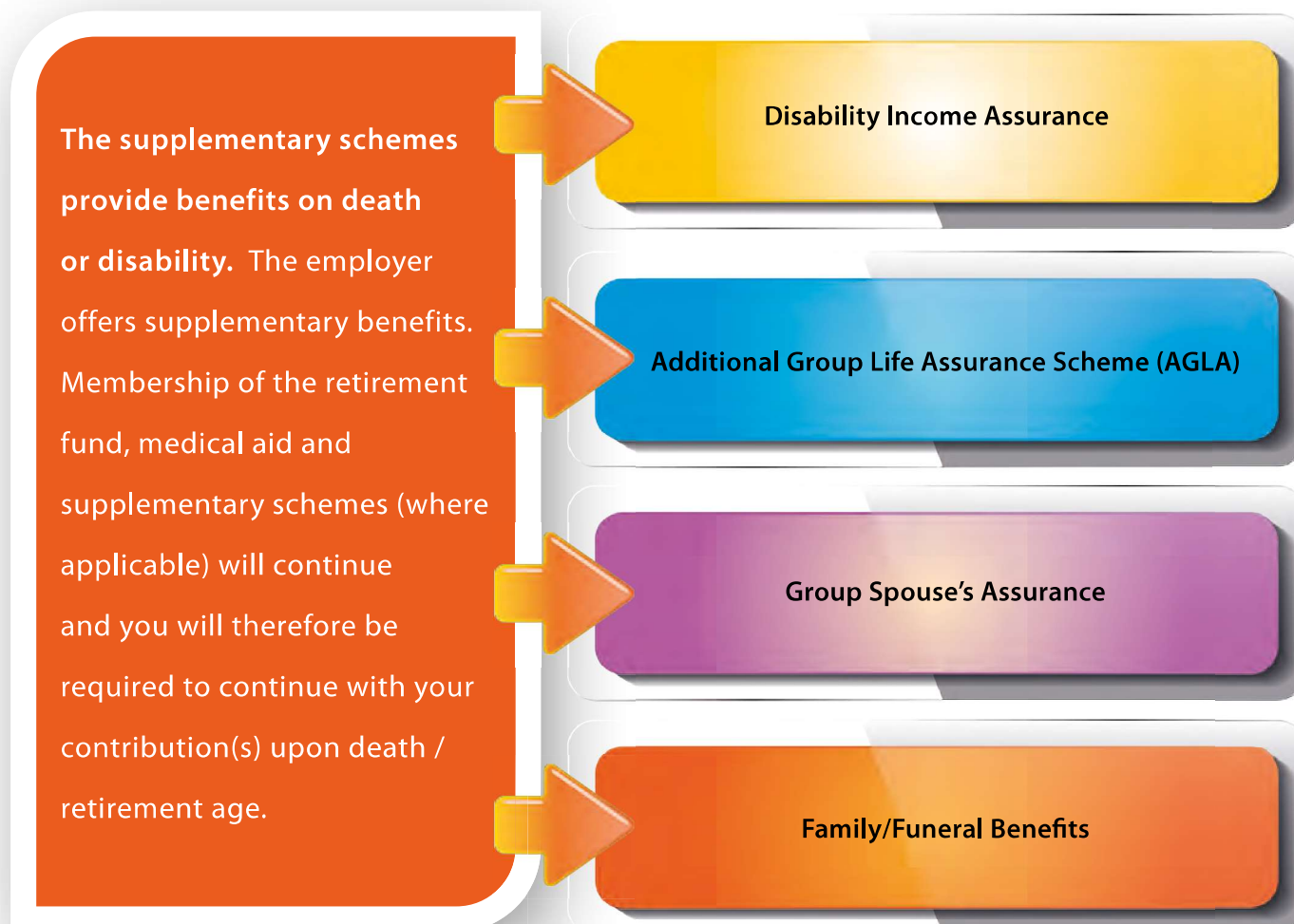


**Your Accumulated Credit in the Fund**

Your full **Accumulated Credit** in the Fund is available to you. It can be transferred tax-free to:

- An approved pension fund of your new employer; or
- And approved preservation pension fund; or
- An approved retirement annuity fund; or
- Can be taken as a lump sum (tax will be deducted)

## 7.4 SUPPLEMENTARY *BENEFITS*



The supplementary schemes provide benefits on death or disability. The employer offers supplementary benefits. Membership of the retirement fund, medical aid and supplementary schemes (where applicable) will continue and you will therefore be required to continue with your contribution(s) upon death / retirement age.

- Disability Income Assurance
- Additional Group Life Assurance Scheme (AGLA)
- Group Spouse's Assurance
- Family/Funeral Benefits

## DISABILITY INCOME ASSURANCE

Medical proof required – insurer to assess and supply the member with the decision.

The benefit provides you with an income due to illness/injury:

- If you are absent from work for 3 consecutive months (waiting period);
- You are unable to exercise your own occupation;
- If after 24 months you are still considered disabled for your own occupation or any alternative occupation, you could still qualify for the disability income assurance.



### THE BENEFIT

(Calculated as a % of your annual pensionable salary.)

75% of your monthly pensionable salary  
To a maximum of R130 000 per month



## ADDITIONAL GROUP LIFE ASSURANCE SCHEME (AGLA)

### Members who opted for additional cover before 1 January 1995

- Option to elect additional life cover in multiples of zero (0) times annual pensionable salary up to four (4) times annual pensionable salary;
- Contributions vary depending on level of cover chosen.

### Employees in employment since 1 January 1995

- Compulsory for members with dependants to be covered for an additional three times annual pensionable salary (Members with dependants therefore qualify for 5 times annual pensionable salary life cover in total);
- To ensure that the benefit of three times annual pensionable salary pays out tax-free, you as an employee pay the premium;
- The premium is reviewed annually to ensure that members only pay the best rates.

## MEMBERSHIP DETAILS

### Commencement:

- On the 1st day of the month and on joining.
- Medical evidence of health will be requested in writing if required.
- If joining after the 1st of the month, membership will commence on the 1st day of the following month.

### Termination:

Membership ceases in the following cases:

- Upon death;
- As soon as you leave the service of SANParks
- Upon discontinuance of the scheme.

(If you should leave SANPark's employ, you may within 30 days take out a similar individual assurance with the Insurer without evidence of good health. You will, however, be subjected to certain limitations or conditions that the Insurer may impose upon you. You will also have to pay the premiums out of your own income).

Employees in employment since 1 January 1995 should have at least one (1) years' service before they qualify.

## GROUP SPOUSE'S ASSURANCE

The **benefit is compulsory** for all **married members** upon joining the retirement fund.  
**If divorced** you should inform the Fund.

The benefit is also compulsory for members who **were single upon joining SANParks** and who **married later**.

Spouse:

In relation to applicable regulation, a spouse is currently regarded as a:

- Permanent life partner
- Spouse
- Civil union partner

(in accordance with the Marriage Act, the Recognition of Customary Marriage Act, the Civil Union Act, or the tenets of a religion).

If more than one spouse, you will have to nominate a spouse in writing to the Insurer at the date the cover comes into effect.

## BENEFIT

- Your spouse's life will be covered, and the benefit linked to this assurance will be equal to one (1) times your annual pensionable salary.
- The premium for the benefit is payable by yourself. The premium is reviewed annually to ensure that members only pay the best rates.
- The benefit falls away upon resignation or retirement.

## ADDITIONAL GROUP LIFE ASSURANCE SCHEME (AGLA)

This benefit is managed and arranged by the employer and is compulsory for all members upon joining the Fund

Certain cash amounts are applicable on death of:

- Principal member;
- Spouse;
- Children (including stillborn).

Details about this benefit can be obtained from your HCM Department.

There is also an optional additional funeral scheme for your extended family.





## 8. UNCLAIMED BENEFITS

Unclaimed benefits are benefits due to a beneficiary or member and which is not claimed by that beneficiary or member within 24 (twenty-four) months of the date on which it became due. These benefits will be flagged as unclaimed benefits after 24 months and will be invested according to the Unclaimed Benefit Investment Policy. A monthly fee will be levied after 3 months of becoming unclaimed.



### YOU ARE URGED TO:

ensure that your details and beneficiary nomination forms are updated and forwarded to your HCM department. Please claim your benefits after leaving service.



## 9. TAXATION BENEFITS

**Government is trying to motivate employees to save for retirement.** You will therefore receive a bigger tax relief when you retire from the Fund compared to when you resign from the Fund. Your benefit will be taxed according to the latest **tax tables** (shown below and on page 29). **Remember** that when you transfer your benefit to another qualifying fund, your benefit will be transferred tax-free.

Lump sum cash retirement benefit	Tax liability
First R500 000	0% (provided you have not used this exemption before)
R500 001 to R700 000	18%
R700 001 to R1 050 000	R36 000 + 27% of taxable income above R700 000
R1 050 001 and above	R130 500 + 36% of taxable income above R1 050 000

Please note that the R500 000 tax-free, and the table, are applied to a person's cumulative lump sum retirement benefits from all funds, i.e. will include both pension and provident sections and retirement annuities, over your lifetime.

These tax rates and limits can change, so make sure you get up to date information on the effect tax will have on your benefits before you make any decisions.



Lump sum withdrawal benefit	Tax liability
R0 to R25 000	0%
R25 001 to R660 000	18% of the amount above R25 000
R660 001 to R990 000	R114 300 + 27% of taxable income above R660 000
R990 001 and above	R203 400 + 36% of taxable income above R990 000

The tax-free threshold of R25 000 and tax table will be cumulative and will apply to the total amount of your withdrawals from funds in your lifetime. In addition, the tax concessions granted on withdrawal will reduce the tax concessions at retirement.



### AVOID DELAYS - REGISTER WITH SARS!

When you leave SANParks' service you will need to be registered with SARS and the administrator will require a valid SARS registration number before your benefit can be paid.

**Avoid any delays.**

**Please make sure that you are registered with SARS!**



## 10. FUND DOCUMENTATION

You, as a member may inspect, without charge at the registered office of the Fund, any or all of the following:

- A copy of the Rules of the Fund;
- The most recent Annual Financial Statements prepared under the Act (if any);
- Any documents relevant to the arrangement being carried out by the Fund under the Act to bring the Fund into a financially sound condition as required by the Authority.





## 11. GENERAL

You should discuss the information in this booklet with your spouse, dependants and Financial Adviser. The value of your retirement benefit will depend on your benefit structure according to your salary level (Refer to Point 3.1 on page 08)



### APPROVED FINANCIAL ADVISER

You are advised to seek financial advice from an approved financial adviser and to discuss the tax implications of your decision before making any final financial decisions.



**Note  
that the  
Board of Management  
and Human Capital  
Management personnel  
are NOT financial advisers  
and may not provide any  
financial advice.**

## 12. FREQUENTLY ASKED QUESTIONS



### 12.1 Can I borrow money from the SANParks Pension Fund?

Yes, it is possible, but only for housing purposes and subject to approval.

**Read more under Point 5**

### 12.2 Why should I complete a Beneficiary Nomination Form?

You may go through life changing events such as marriage, a new baby, divorce or death of a dependant and how you wish your benefits to be distributed should be indicated on the beneficiary nomination form for consideration by the Trustees.

**Read more under Point 7.2**

### 12.3 Can I make additional contributions to the Fund?

Yes, contributions can be increased.

**Read more under Point 3**

### 12.4 What is important to take into account when I get divorced?

Section 7 of the Divorce Act, 1979, specified that a former spouse may get paid according to the settlement, from the member's pension benefit. It is important to provide certain information to finalise the divorce.

**Read more under Point 6**

### 12.5 When can I retire?

Normal retirement age is 65, but you can retire from age 55 with the Employer's consent.

**Read more under Point 7**

### 12.6 What are my options at retirement?

Your benefit options at retirement is in accordance with legislation and you have several options.

**Read more under Point 7**

### 12.7 How is my death benefit distributed should I pass away while in service?

Death benefits are distributed according to Section 37C of the Pension Funds Act. Your updated nomination of beneficiary forms are very important in helping with this process.

**Read more under Point 7.2**

### 12.8 What is a life changing event?

Whenever something happens that changes your life in a big way, you have undergone a life changing event for example a newborn baby.

**Read more under Point 7.2**

### 12.9 What happens if I don't claim my benefit?

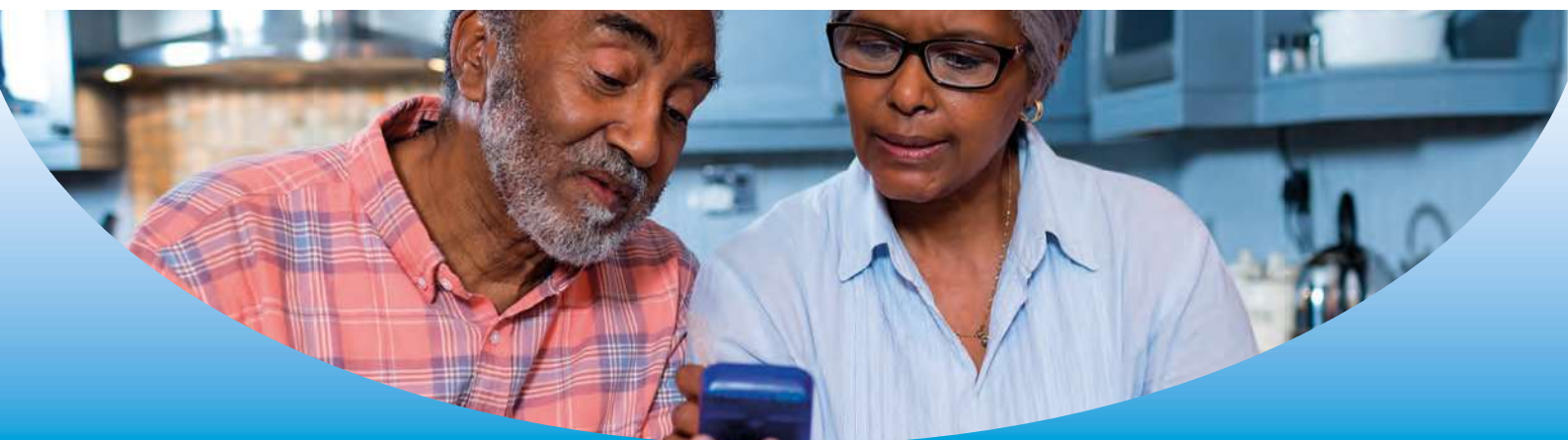
The benefit becomes unclaimed and will be invested according to the Unclaimed Benefit Investment Policy.

**Read more under Point 8**

### 12.10 How does tax affect me when I retire or resign?

Your benefit will be taxed according to the latest tax tables. Ensure that you are registered with SARS.

**Read more under Point 9**



## 13. FUND CONTACT DETAILS



### SANPARKS PENSION FUND



PO Box 787  
PRETORIA  
0001



E-mail:  
[Pension.Fund@sanparks.org](mailto:Pension.Fund@sanparks.org)

### BENEFIT CONSULTANT



**Maemu Makhado**  
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Tel: 012 436 9917

### CLIENT RELATIONSHIP MANAGER



**Roelof Heyneke**  
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### SANLAM CUSTOMER CARE



Email: [SCClientCare@sanlam.co.za](mailto:SCClientCare@sanlam.co.za)  
Tel: 086 122 3646

#### **Disclaimer:**

Please note that while every care has been taken in compiling this document, any dispute regarding the interpretation of conditions will be settled in accordance with the official rules of the Fund, provisions of the Pension Funds Act and the relevant policies of insurance.